



BRUCE A. CHERNOF, M.D.
Acting Director and Chief Medical Officer

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Chief Deputy Director

WILLIAM LOOS, M.D.
Acting Senior Medical Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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January 19, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, Ca 90012

Dear Supervisors:

**AUTHORIZATION OF EQUIPMENT AND RELATED SUPPLIES PURCHASES
AND CORRESPONDING APPROVAL OF APPROPRIATION ADJUSTMENT TO THE
DEPARTMENT OF HEALTH SERVICES' SOUTHWEST NETWORK
FISCAL YEAR 2005-06 BUDGET
(2nd District) (4 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Department of Health Services (DHS or Department) to purchase the equipment and related supplies necessary to complete and occupy the Martin Luther King, Jr./Drew Medical Center (KDMC) Operating Room Surgery Suite when the Refurbishment Project, currently under construction, is completed.
2. Authorize DHS to purchase the equipment and related supplies needed by KDMC to comply with Centers for Medicare and Medicaid Services (CMS), Joint Commission on Accreditation of Healthcare Organizations (JCAHO), State Health Department (Title 22), and other regulatory agency requirements.
3. Approve the attached Request for Appropriation Adjustment to the DHS Southwest Network Fiscal Year 2005-06 Adjusted Adopted Budget to reflect various adjustments in KDMC's operating plan, funded by the additional use of \$6,701,473 from the Department's Enterprise Fund Designation.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

In approving the recommended actions, the Board is authorizing the Department to purchase, with additional spending authority, equipment and related supplies necessary to furnish the KDMC Operating Room Surgery Suite when the Refurbishment Project currently under construction is

completed, and also provide KDMC with the needed equipment to correct the deficiencies noted during CMS, JCAHO, State licensing and other regulatory reviews of the hospital.

FISCAL IMPACT/FINANCING:

The total cost of the equipment and related supply items is \$6,837,481. After using available LAC-CAL (Los Angeles County Capital Asset Leasing Corporation) and equipment (Fixed Asset) appropriations in KDMC's current fiscal year budget of \$136,008, the net increase in appropriations required is \$6,701,473 proposed to be funded from the DHS designation fund. If the Board approves these expenses, the revised balance in the DHS designation fund at the end of FY 2005-06 is expected to be \$233.4 million.

After further consideration, the Department is requesting that the entire cost of this request be funded during the current fiscal year, given that all resources identified at this point, including the DHS designation fund, will be inadequate to fund FY 2006-07 operations at current levels. Further, by avoiding the use of LAC-CAL for those equipment items eligible for such participation, \$613,627 in estimated financing costs will be avoided.

(LAC-CAL was created by the County to finance equipment purchases with the proceeds from short-term financing for five years or less. LAC-CAL acquires equipment on behalf of the County using these funds. LAC-CAL, as lessor, leases the equipment to the County [lessee]. The County receives the equipment and makes lease payments to LAC-CAL. When all lease payments have been satisfied relative to an item of equipment, title to the equipment transfers from LAC-CAL to the County.)

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

KDMC has a number of major projects under way to correct facility problems. On September 6, 2005, your Board approved the Refurbishment Project for the KDMC Operating Room Surgery Suite as jointly recommended by DHS, the Department of Public Works, and the Chief Administrative Office, to correct the deficiencies cited by CMS and JCAHO. This project is under construction. The equipment to be supplied by DHS to complete this project is included in this request and is detailed in Attachment I. A major part of this project requires construction to occur on the floor immediately below the Operating Rooms, which requires the relocation of the current Labor-Delivery service and related support space. Equipment to maintain the operation of the Obstetrics program in its interim location is a critical part of the phased construction of the Operating Rooms, and will also be used when the service is returned to its current location.

The second major part of this request is equipment identified by KDMC and its consultant, Navigant, which is required to correct deficiencies of equipment or service needed to meet regulatory agency requirements or to provide required patient services. The new items, along with the essential training and monitoring of staff, will give KDMC the tools needed to eliminate many of the service problems identified. These items are detailed in Attachment II.

CONTRACTING PROCESS:

Not applicable.

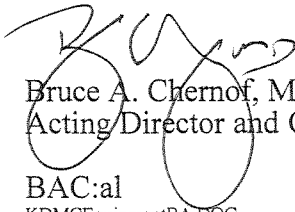
The Honorable Board of Supervisors
January 19, 2006
Page 3

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Not applicable.

When approved, the Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Acting Director and Chief Medical Officer

BAC:al
KDMCEquipmentBA.DOC

Attachments

c: Executive Officer, Board of Supervisors
Chief Administrative Officer
Auditor-Controller

LOS ANGELES COUNTY - DEPARTMENT OF HEALTH SERVICES

Southwest Network - Martin Luther King Jr./Drew Medical Center

Attachment I

FY 2005-06 Equipment Purchase List

Description	Vendor	Units Needed	Unit Cost	Total FY 05-06 Costs
Refurbishment Project				
Equipment (Fixed Asset - unit cost of \$5,000 or more):				
Planmeca Prostyle Intraoral mobile x-ray		1	5,448	5,448
Table, surgical bariatric		2	6,827	13,654
Scale, infant digital (on cart)	Olympic	2	8,068	16,136
Monitor:vital signs data passport		8	9,200	73,600
Birthing beds, Affinity	Hill Rom	6	11,759	70,554
Warmer, infant	Bear	3	15,000	45,000
Warmer, blanket/fluid		3	15,077	45,231
Scope processor	Steris	1	17,742	17,742
Warmer, patient system	Bear	3	18,170	54,510
Forklift		1	20,000	20,000
Monitor Fetal w/central system		10	20,400	204,000
Light, surgical (perOR) Harmony dual		6	24,423	146,538
Radiology film processor	Fuji XG500Plus	2	29,290	58,580
Table, delivery/surgical	Steris	2	30,000	60,000
Stabilette(Resuscitaire)	Drager (800) 437-2037	3	32,971	98,913
Scrub Station	Steris	6	34,082	204,492
Radiology PACS		3	38,000	114,000
Plasma Coagulator	Argon	1	41,078	41,078
Giraffe Omni Bed w/inbed scale		2	42,547	85,094
Table surgical	Steris	1	45,316	45,316
Transport Isolette		1	65,000	65,000
Planmeca-Digital Pan &ceph oral x-ray		1	83,869	83,869
Washer-Disinfector	Steris	2	99,447	198,894
Neptune System w docking station	Steris	2	124,146	248,292
Autoclave - Steam Sterilizer	Steris	3	161,141	483,423
Plasma Sterilizer	ASP	1	198,000	198,000
Radiology Multiple archive storage server		1	376,678	376,678
Subtotal Fixed Assets				\$3,074,042
Services and Supplies:				
Doppler, fetal heart		3	\$200	\$600
Lead Aprons		62	225	13,950
Metro carts (open storage)	Metro	100	408	40,800
Cart, fetal monitor		8	1,200	9,600
Rigid instrument containers	Steris	60	1,334	80,040
Lights, portable delivery	Hill Rom	3	1,340	4,020
Table, exam	Enochs	3	1,450	4,350
Case carts	Metro	50	2,350	117,500
Gurney LDR		9	3,812	34,308
Cabinet, scope drying	Custom Ultrasonic	3	4,284	12,852
Educational Modules	Medcom Inc.	1	4,400	4,400
Furniture	Systems Source	N/A	N/A	66,684
Subtotal Services & Supplies				\$389,104
Total Equipment Required for Renovations (Directly and Indirectly)				\$3,463,146

LOS ANGELES COUNTY - DEPARTMENT OF HEALTH SERVICES
Southwest Network - Martin Luther King Jr./Drew Medical Center

Attachment II

FY 2005-06 Equipment Purchase List

Description	Vendor	Units Needed	Unit Cost	Total FY 05-06 Costs
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Compliance

Equipment (Fixed Asset - unit cost of \$5,000 or more):

Dialysis	Fresenius 2088K	3	22,000	66,000
Monitor, physiological	GE-Phillips	8	27,170	217,360
Monitor, NICU		18	35,715	642,870
Radiographic Equipment-ED		1	150,000	150,000
Infant Abduction-Basic		1	200,000	200,000
Subtotal Fixed Assets				\$1,276,230

Services and Supplies:

Oto/ophthalmoscope, wall mounted		35	975	34,125
Carts: Pediatric Crash		15	1,345	20,175
IV pumps, triple		250	1,600	400,000
Scale, digital		46	3,732	171,672
Radiology Printer module/interface-Rogan	MTS Delft	6	4,827	28,962
Subtotal Services & Supplies				\$654,934

Total Equipment Related to CMS/JCAHO Critical Patient Safety Issues **\$1,931,164**

Equipment to Provide Required Patient Services

Equipment (Fixed Asset - unit cost of \$5,000 or more):

Digital MDM NO2/O2 mixer		2	\$5,313	\$10,626
Chair-Oral surgery		1	6,268	6,268
Doppler		1	9,720	9,720
Vent: BiPar vision system Adults	Tri-Amin	4	10,422	41,688
Vent: Infant	Tri-Amin Health Services	2	11,576	23,152
EKG, 12 lead	MAC 5000	10	12,500	125,000
Sigmoidoscope Video	Pentax ES3870K	2	14,800	29,600
Radioactive probe for min invasive parathyroid surgery		1	15,900	15,900
Vision Analyzer		1	17,500	17,500
Electrosurgical unit with bipolar	Valley Lab	6	21,000	126,000
Colonoscope: video	Pentax 3870LK	2	23,200	46,400
Gastroscope: Video	Pentax 3870LK	2	23,200	46,400
Laser, ophthalmology		1	24,000	24,000
Emg/NCV equipment		1	24,747	24,747
Endoscopy/Capsule		1	30,000	30,000
Colonoscope	Olympus	1	30,765	30,765
Med CD recording station with archive database		1	33,500	33,500
Sigmoidoscope	Pentax	1	34,644	34,644
Cystoscopic/endoscopic system	Storz	2	35,436	70,872
Mammotome biopsy System		1	37,368	37,368
Ventilator: Jet	Bunnell	6	37,606	225,636
Esophageal manometry	Insight	1	44,604	44,604
Gastroscope	Pentax	1	49,146	49,146
Colonoscope	Pentax	1	53,475	53,475
Endoscope: Radial array ultrasound	Pentax	1	69,000	69,000
Physiological System (Int Med)		1	176,000	176,000
Subtotal Fixed Assets				\$1,402,011

Services and Supplies:

Vent: Vapotherm 20001	Sennifer Lee	10	4,116	\$41,160
Subtotal Services & Supplies				\$41,160

Total Equipment Needed to Provide Patient Services **\$1,443,171**

Total Financial Requirement for FY 05-06 Equipment Purchase **\$6,837,481**

Included in FY 05-06 Board Adopted Budget:

Other Charges (LAC-CAL) (a)	(\$120,389)
Fixed Assets (b)	(15,619)
Total Budgeted Appropriation	(\$136,008)

Net Financial Impact **\$6,701,473**

(a) \$120,389 was identified in the FY 05-06 Board Adopted Budget (BR 6.4) to fund the following items: NICU Patient Monitor; Physiologic System; and Vision
(b) \$15,619 was identified in the FY 05-06 Board Adopted Budget (BR 6.3) to fund the Sigmoidoscope.

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. _____

DEPARTMENT OF Health ServicesDATE 01/19/2006

AUDITOR CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

Budget Adjustment
Fiscal Year 2005-06
4-VOTE

Please see attached for details.

JUSTIFICATION:

The total cost of the equipment and related supply items is \$6.837 M. After using the available funding from current year 05-06 budget of \$0.120 M from Other Charges (LAC-CAL) and \$0.016 M from fixed asset equipment budget, the total remaining financial need for the equipment and related supply items will be funded by \$6.701 M from the DHS Designation fund. This budget adjustment will increase Southwest Network's budgeted appropriations for Fixed Assets Equipment by \$5.736 million and S&S by \$1.085 million.

EM:ty
01/19/06

[Signature] for EM

Efrain Muñoz, Chief
DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER
FOR:

☐ ACTION
☒ RECOMMENDATION

AUDITOR-CONTROLLER No.

252

BY:

[Signature]
1/19/06

APPROVED AS REQUESTED ☒ AS REVISED ☐1/19/06

[Signature] for
DAVID E. JANSSEN
CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

BY:

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPARTMENT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FISCAL YEAR 2005-06

4-VOTE

SOURCES:

Southwest Network (MLK/D Medical Center)	
Other Charges	
MN5-HK-60030-5500	120,000
 Southwest Network (MLK/D Medical Center)	
Operating Transfer In	
MN5-HK-60030-9911	6,701,000
 DHS Enterprise Fund	
Designation for DHS	
MN2-HS-60070-3078	6,701,000

USES:

Southwest Network (MLK/D Medical Center)	
Services and Supplies	
MN5-HK-60030-2000	\$ 1,085,000
 Southwest Network (MLK/D Medical Center)	
Fixed Assets	
MN5-HK-60030-6030	5,736,000
 DHS Enterprise Fund	
Operating Transfer Out	
MN2-HS-60070-6100	6,701,000

Total	<u><u>\$ 13,522,000</u></u>
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Total	<u><u>\$ 13,522,000</u></u>
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NOTED AND APPROVED


Efrain Munoz, Chief
DHS-Controller's Division